

## Exhibit 85

## **Cardinal loses round in drug fight; Judge OKs DEA limits on distribution center**

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### **Body**

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A federal judge ruled against Cardinal Health yesterday, upholding the U.S. Drug Enforcement Administration's suspension of the company's license to distribute controlled substances from its Lakeland, Fla., operation.

Cardinal officials said in a statement that they "disagree with this decision" and will file an appeal.

Judge Reggie Walton of the U.S. District Court for the District of Columbia granted Cardinal a temporary restraining order on Feb. 3 to block the DEA's immediate suspension of the Lakeland distribution center while the company pleaded its case to a judge within the DEA.

Walton said yesterday that after studying additional information from the DEA, he agreed with the decision to suspend the license of Cardinal's Lakeland center.

The DEA alleged Cardinal failed to maintain effective control "against the diversion of controlled substances into other-than-legitimate ... channels" and failed to notice and report higher-than-normal deliveries of oxycodone to four pharmacies.

**"I think DEA is correct that companies have an obligation to police themselves ... and to be proactive in assessing whether diversion (of controlled substances) is taking place," Walton said.**

"Cardinal, if it were being proactive, should have found a problem with those pharmacies and should have taken some action earlier."

In its statement, Cardinal said it is committed to fighting prescription-drug abuse.

"We work hard to actively prevent drug diversion and have spent millions of dollars to build a system of advanced analytics and on anti-diversion specialists," the statement said. "We have stopped distributing to hundreds of pharmacies determined to pose an unreasonable risk of diversion. The majority of those pharmacies still maintain their DEA registrations to dispense controlled substances."

The Lakeland facility services about 2,700 hospital and pharmacy customers in Florida, Georgia and South Carolina.

Walton's decision is directed only at Cardinal's Lakeland center, and it does not shut it down. Cardinal will continue to distribute noncontrolled substances from Lakeland.

Michael Fishman

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The company also stated that it will distribute the controlled substances that Lakeland is no longer licensed to supply from its Mississippi and North Carolina distribution centers to customers in the three affected states.

This is expected to increase the time and cost of delivery.

"We will make every effort to meet our customer's need with minimal disruptions," said Cardinal spokeswoman Debbie Mitchell.

The court ruling is part of an ongoing battle between Cardinal and the DEA over how best to fight prescription-drug abuse.

Distributors such as Cardinal say that they are unfairly targeted because it is easier for the DEA to attack a distributor than the thousands of doctors who write the prescriptions.

For its part, the DEA says distributors have an obligation to ensure that the controlled drugs that go out their doors do not land in the wrong hands.

Whether Cardinal's Lakeland center will be allowed to keep its license will be determined at an administrative hearing scheduled to begin on April 3.

The process could take as long as a year, and the DEA judge will then make a recommendation to the DEA's administrator, Michele Leonhart. The administrator will then make a ruling.

In October 2008, Cardinal reached a \$34 million settlement over allegations that it failed to notify the DEA about suspicious shipments of drugs to pharmacies that later sold them illegally online.

Cardinal CEO George Barrett said on Feb. 3 that since the settlement, Cardinal has put in place numerous systems to raise red flags when suspicious ordering activity occurs. It has stopped shipments to more than 350 suspicious pharmacies and reported them to the DEA.

Information from Reuters was included in this story.

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